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State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil Gas and Mining

JOHN R. BAZA
Division Director

January 7, 2008

CERTIFIED MAIL
7005 2570 0000 4801 7475

Bob Steele
1055 North 400 East
Nephi, UT 84648

Subject: Findings of Fact, Conclusions, Order for MC 07-04-02, Silver Dream, S0270084, Millard County, Utah,

Dear Mr. Steele:

On September 19, 2007, an Informal Conference was held to review the fact of the violation and the proposed fines for state violation MC07-04-02. As a result of a review of all pertinent data and facts, including those presented in the Informal Conference, the attached document constitute the findings of fact, conclusions, and order.

Cessation Order MC07-04-02 has been vacated and the assessed fine is voided.

Should you have any questions concerning this action, please contact me at 801-538-5306 or Daron Haddock at 801-538-5325.

Sincerely,

Mary Ann Wright
Associate Director, Mining
Assessment Conference Officer
maryannwright@utah.gov

MAW/vs
Enclosures:
Findings

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BEFORE THE DIVISION OF OIL, GAS AND MINING
MINERALS REGULATORY PROGRAM
DEPARTMENT OF NATURAL RESOURCES
STATE OF UTAH

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|---|---|---------------------------------------|
| IN THE MATTER OF THE Silver Dream Mine, Millard COUNTY, UTAH | : | INFORMAL CONFERENCE For MC07-04-02 |
| | : | FINDINGS, CONCLUSIONS AND ORDER |
| | : | CAUSE NO. S0270084 |

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On September 19, 2007, the Division of Oil, Gas and Mining ("OGM") held an informal conference concerning the Fact of Violation and the Assessment for Cessation Order, MC07-04-02 issued to Robert Steele, the Silver Dream Mine, Millard County, Utah. The following attended for the Division: Lynn Kunzler and Daron Haddock.

Presiding: Mary Ann Wright
Associate Director, Mining
Division of Oil, Gas and Mining

Petitioner: Robert Steele

The Findings, Conclusions, and Order in this matter are based on information provided by the Petitioner and the Division in connection with this informal conference, and on information in the files of the Division.

FACTS PRESENTED: Fact of the Cessation Order and Assessment

1. On September 19, 2007, the Division of Oil, Gas and Mining (OGM or Division) held an Informal Conference concerning the Cessation Order issued at the Silver Dream Mine, Millard County, Utah.
2. Cessation Order MC07-04-02 was issued April 24, 2007 for "Failure to provide or maintain reclamation surety for a mine site".
3. On September 6, 2007, Robert Steele requested an Informal Conference. Notice of the informal conference was properly given.
Pursuant to Utah Code Ann. Section 40-8- 9 and Utah Administrative Rule R647-6-102.
4. At the informal conference, the following information was presented to the Conference Officer.

5. This silver-in-jasperoid mine site is within a Wilderness Study Area in the Confusion Range. Mr. Steele informed the division on May 30, 2007 by mail that "Work on the property has never begun and cannot begin until the BLM signs off on the permit." At the conference, he further explained that the IBLA remanded this matter to the field office (Fillmore). On 5-18-06 the BLM plan was rejected. The division has not been notified of this by BLM. Permit fees are current for this site. There is ¼ acre of disturbance at the site and production reported for 2004 was 10 Tons and 2006, .5 Tons.
6. Some of the information provided by Mr. Steele was new information for the division. Mr. Haddock had informed Mr. Steele in a letter of June 15, 2007, that the site has been in suspension for over 7 years. The rules at R647-3-113 requires notification of suspension of a small mine for greater than 5 years and requires appealing to the Board to request suspension for more than 10 years.
7. The division needs to make an inspection and write a report for this site and take photos. The division also needs a copy of the BLM permit denial. Then, the division will hold the site in suspension, without the requirement to post a bond, until the 10 years approaches.

CONCLUSIONS

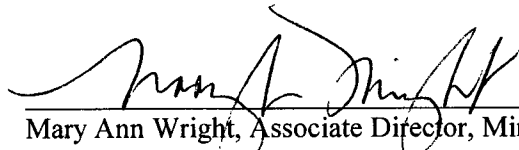
- The operator needs to supply information to the division about the BLM permit rejection in order to meet the suspension requirements of R647-3-113. The division needs to inspect the site and report on its condition, also per the rules.
- The Violation (Cessation Order) should be vacated.

ORDER

NOW THEREFORE, it is ordered that:

1. Cessation Order MC For MC07-04-02, is hereby vacated.
2. The assessed fine is voided.

SO DETERMINED AND ORDERED this 2nd day of January 2008



Mary Ann Wright, Associate Director, Mining
Conference Officer
Division of Oil, Gas and Mining
State of Utah